

overturning civil liberty and that he had no doubt George III. was a principal stock-holder and would authorize his agent in this country to bid millions for a renewal of the charter.<sup>1</sup> Gallatin had anticipated this ground of hostility in his report to Congress. He called attention to the fact that the foreign shareholders had no vote and that if the charter was not renewed the principal of the foreign holdings would have to be remitted abroad in liquidation of the affairs of the bank.

William H. Crawford of Georgia was the champion of Gallatin and the bank in the Senate and his able argument commended him to the administration and made him a strong candidate in later years for the presidency. Henry Clay held that Congress had no power to create the bank or to continue it, and followed the leanings of Mr. Desha in the opinion that in case of war with England "the English premier" would exercise control over the institution. The House on January 24, 1811, postponed indefinitely the bill for renewing the charter by a vote of 65 to 64. The vote in the Senate on February 20th was 17 to 17, and the Vice-President, George Clinton, an enemy of Gallatin, gave the casting vote against the bill. "The necessity for such an institution/' says Mr. Henry Adams, "c was merely one of the moment, but in the period of national history between 1790 and 1860, the year 1811 was perhaps the only moment when destruction of the bank threatened national ruin."<sup>2</sup> The government was compelled to rely in the war of 1812 on the State banks, and their suspension of specie payments in 1814 almost paralyzed the operations of the Treasury. It became impossible to make transfers of funds from one part of the Union to another, because the notes of the banks of one section did not pass current in other sections. Gallatin has left on record the opinion that the suspension of specie payments in 1814 " might have been prevented at the time when it took place, had the former Bank of the United States been still in existence." He believed that the bank would have

<sup>1</sup> White, 265.

<sup>3</sup> *History of the United States*, V., 329.